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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, June 6, 2002

APPLICATION OF

CASE NO. PUA-2002-00005

ALLIED RISER OF VIRGINIA, INC.,

and

COGENT COMMUNICATIONS GROUP, INC.,

For approval of transfer of control

**ORDER GRANTING APPROVAL**

On February 11, 2002, Allied Riser of Virginia, Inc. (“Allied Riser”), and Cogent Communications Group, Inc. (“Cogent”)(collectively, the “Applicants”), completed an application filed with the State Corporation Commission (“Commission”) on January 25, 2002. Applicants request, pursuant to § 56-88.1 of the Code of Virginia (“Virginia Code”), approval of the transfer of control of Allied Riser to Cogent.

Allied Riser, formed in 1998, is incorporated in Virginia and has principal offices located in Dallas, Texas. Allied Riser holds certificates of public convenience and necessity (“CPCN’s”) to provide local exchange and facilities based interexchange telecommunications services in the Commonwealth of Virginia.<sup>1</sup> At this time, Allied Riser has not begun providing any telecommunications services in Virginia and currently has no customers.

Allied Riser Communications Corporation (“Allied Riser Communications”) is the parent of Allied Riser. Allied Riser Communications is incorporated in the state of Delaware and has

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<sup>1</sup> Allied Riser of Virginia, Inc., was granted local exchange Certificate No. T-484 and interexchange Certificate No. TT-89A on April 6, 2000, in Case No. PUC990093.

principal offices located in Dallas, Texas. Allied Riser Communications does not provide any telecommunications services to any customers in Virginia.

Cogent, formed in 1999, is incorporated in the state of Delaware and has principal offices located in Washington, D.C. Cogent is a provider of high-speed Internet access to businesses, application service providers, and Internet service providers. Cogent intends to acquire a number of wholly owned indirect subsidiaries, which operate tele-communications networks in several states. At this time, Cogent is not providing voice telephony and similar telecommunications services in any jurisdiction, but it does provide Internet access and operates as an Internet Service Provider. Cogent is not currently providing any Internet access services to commercial customers in Virginia.

The Applicants seek approval of a transfer of control, which, they represent, will result in improved operational efficiency and an enhanced competitive position. Pursuant to a Merger Agreement between Allied Riser Communications and Cogent, indirect control of Allied Riser will be transferred to Cogent. Under the Merger Agreement, a wholly owned subsidiary of Cogent, formed solely for the purpose of the merger, will merge with and into Allied Riser Communications. As a result, Allied Riser Communications will become a wholly owned subsidiary of Cogent, and Allied Riser will become a wholly owned indirect subsidiary of Cogent. This proposed transaction is a stock transfer only. No assets are being transferred as a result of the merger.

THE COMMISSION, upon consideration of the joint petition and representations of the Applicants and having been advised by its Staff, is of the opinion and finds that the transaction, as described herein, involving the indirect transfer of control of Allied Riser will neither impair

nor jeopardize the provision of adequate service to the public at just and reasonable rates and should, therefore, be approved.

Accordingly, IT IS ORDERED THAT:

- 1) Pursuant to §§ 56-88.1 and 56-90 of the Code of Virginia, approval is hereby granted for the indirect transfer of control of Allied Riser, as described herein.
- 2) There appearing nothing further to be done in this matter, it is hereby dismissed.